

# HB4499



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

**HB4499**

by Rep. Greg Harris

#### SYNOPSIS AS INTRODUCED:

215 ILCS 5/143

from Ch. 73, par. 755

Amends the Illinois Insurance Code to provide that life and accident and health policy forms and casualty, fire, and marine policy forms, including all rate-related information, shall be considered public records and subject to inspection and copying by the public immediately after submission to the Department of Insurance.

LRB098 17328 RPM 52424 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Insurance Code is amended by  
5 changing Section 143 as follows:

6 (215 ILCS 5/143) (from Ch. 73, par. 755)

7 Sec. 143. Policy forms.

8 (1) Life, accident and health. No company transacting the  
9 kind or kinds of business enumerated in Classes 1 (a), 1 (b)  
10 and 2 (a) of Section 4 shall issue or deliver in this State a  
11 policy or certificate of insurance or evidence of coverage,  
12 attach an endorsement or rider thereto, incorporate by  
13 reference bylaws or other matter therein or use an application  
14 blank in this State until the form and content of such policy,  
15 certificate, evidence of coverage, endorsement, rider, bylaw  
16 or other matter incorporated by reference or application blank  
17 has been filed electronically with the Director, either through  
18 the System for Electronic Rate and Form Filing (SERFF) or as  
19 otherwise prescribed by the Director, and approved by the  
20 Director. Any such endorsement or rider that unilaterally  
21 reduces benefits and is to be attached to a policy subsequent  
22 to the date the policy is issued must be filed with, reviewed,  
23 and formally approved by the Director prior to the date it is

1 attached to a policy issued or delivered in this State. It  
2 shall be the duty of the Director to withhold approval of any  
3 such policy, certificate, endorsement, rider, bylaw or other  
4 matter incorporated by reference or application blank filed  
5 with him if it contains provisions which encourage  
6 misrepresentation or are unjust, unfair, inequitable,  
7 ambiguous, misleading, inconsistent, deceptive, contrary to  
8 law or to the public policy of this State, or contains  
9 exceptions and conditions that unreasonably or deceptively  
10 affect the risk purported to be assumed in the general coverage  
11 of the policy. In all cases the Director shall approve or  
12 disapprove any such form within 60 days after submission unless  
13 the Director extends by not more than an additional 30 days the  
14 period within which he shall approve or disapprove any such  
15 form by giving written notice to the insurer of such extension  
16 before expiration of the initial 60 days period. The Director  
17 shall withdraw his approval of a policy, certificate, evidence  
18 of coverage, endorsement, rider, bylaw, or other matter  
19 incorporated by reference or application blank if he  
20 subsequently determines that such policy, certificate,  
21 evidence of coverage, endorsement, rider, bylaw, other matter,  
22 or application blank is misrepresentative, unjust, unfair,  
23 inequitable, ambiguous, misleading, inconsistent, deceptive,  
24 contrary to law or public policy of this State, or contains  
25 exceptions or conditions which unreasonably or deceptively  
26 affect the risk purported to be assumed in the general coverage

1 of the policy or evidence of coverage.

2 If a previously approved policy, certificate, evidence of  
3 coverage, endorsement, rider, bylaw or other matter  
4 incorporated by reference or application blank is withdrawn for  
5 use, the Director shall serve upon the company an order of  
6 withdrawal of use, either personally or by mail, and if by  
7 mail, such service shall be completed if such notice be  
8 deposited in the post office, postage prepaid, addressed to the  
9 company's last known address specified in the records of the  
10 Department of Insurance. The order of withdrawal of use shall  
11 take effect 30 days from the date of mailing but shall be  
12 stayed if within the 30-day period a written request for  
13 hearing is filed with the Director. Such hearing shall be held  
14 at such time and place as designated in the order given by the  
15 Director. The hearing may be held either in the City of  
16 Springfield, the City of Chicago or in the county where the  
17 principal business address of the company is located. The  
18 action of the Director in disapproving or withdrawing such form  
19 shall be subject to judicial review under the Administrative  
20 Review Law.

21 This subsection shall not apply to riders or endorsements  
22 issued or made at the request of the individual policyholder  
23 relating to the manner of distribution of benefits or to the  
24 reservation of rights and benefits under his life insurance  
25 policy.

26 (2) Casualty, fire, and marine. The Director shall require

1 the filing of all policy forms issued or delivered by any  
2 company transacting the kind or kinds of business enumerated in  
3 Classes 2 (except Class 2 (a)) and 3 of Section 4 in an  
4 electronic format either through the System for Electronic Rate  
5 and Form Filing (SERFF) or as otherwise prescribed and approved  
6 by the Director. In addition, he may require the filing of any  
7 generally used riders, endorsements, certificates, application  
8 blanks, and other matter incorporated by reference in any such  
9 policy or contract of insurance. Companies that are members of  
10 an organization, bureau, or association may have the same filed  
11 for them by the organization, bureau, or association. If the  
12 Director shall find from an examination of any such policy  
13 form, rider, endorsement, certificate, application blank, or  
14 other matter incorporated by reference in any such policy so  
15 filed that it (i) violates any provision of this Code, (ii)  
16 contains inconsistent, ambiguous, or misleading clauses, or  
17 (iii) contains exceptions and conditions that will  
18 unreasonably or deceptively affect the risks that are purported  
19 to be assumed by the policy, he shall order the company or  
20 companies issuing these forms to discontinue their use. Nothing  
21 in this subsection shall require a company transacting the kind  
22 or kinds of business enumerated in Classes 2 (except Class 2  
23 (a)) and 3 of Section 4 to obtain approval of these forms  
24 before they are issued nor in any way affect the legality of  
25 any policy that has been issued and found to be in conflict  
26 with this subsection, but such policies shall be subject to the

1 provisions of Section 442.

2 (3) This Section shall not apply (i) to surety contracts or  
3 fidelity bonds, (ii) to policies issued to an industrial  
4 insured as defined in Section 121-2.08 except for workers'  
5 compensation policies, nor (iii) to riders or endorsements  
6 prepared to meet special, unusual, peculiar, or extraordinary  
7 conditions applying to an individual risk.

8 (4) All policy forms referenced in subsections (1) and (2)  
9 of this Section, including all rate-related information, shall  
10 be considered public records and subject to inspection and  
11 copying by the public immediately after submission to the  
12 Department.

13 (Source: P.A. 97-486, eff. 1-1-12; 98-226, eff. 1-1-14.)